



MINIS | INSTALMENTS | SELF FUNDING INSTALMENTS | TURBOS | TRADING WARRANTS

CitiFirst MINIs - A Trading Guide

For more information and to subscribe to our market newsletter

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With the Investor in mind, CitiFirst MINIs provide straightforward and transparent leveraged exposure to either rising or falling markets.

For only a fraction of the cost of trading the underlying shares directly, CitiFirst MINIs are an exchange listed trading tool for the Australian market.

There are no margin calls, no credit checks, no loan documents, no lodgement of capital and importantly, investors are unable to lose more than their original investment.



“I want to make my money work for me”

Citi MINIs are leveraged trading tools that make your money work harder for you. For only a fraction of the cost of trading the underlying shares, investors can benefit from movements in the underlying share as if they were holding them directly. As a result, they offer the potential for much leveraged returns.

I want the potential to profit in rising or falling markets

There are two types of CitiFirst MINIs:

CitiFirst MINI Longs provide investors with exposure to a rising market and CitiFirst MINI Shorts provide investors with exposure to a falling market. Investors may therefore profit in both bull and bear markets.

I want transparent pricing

The price of a CitiFirst MINI is straightforward and transparent. The value is determined by the price of the Underlying Share and the Strike Price*. As such, CitiFirst MINIs are not exposed to factors such as option volatility and dividend assumptions that affect the valuations of traditional derivatives.

Value is calculated as follows:

Value of MINI Long = Share Price – Strike Price

Value of MINI Short = Strike Price – Share Price

*Where the Strike Price is the portion of the Underlying Share price that Citi funds on behalf of investors.

Example of a BHP MINI Long:

Share Price	Strike Price	MINI Long Price
\$45.00	\$35.00	\$10.00

Example of a BHP MINI Short:

Share Price	Strike Price	MINI Short Price
\$45.00	\$55.00	\$10.00

I want to limit my risk

CitiFirst MINIs have an embedded stop loss trigger that ensures that investors are unable to lose more than their initial investment amount.

For MINI Longs the Stop Loss Trigger Level is set at a certain distance above the Strike Price, whereas for MINI Shorts the Stop Loss Trigger Level is set below the Strike Price.

The Stop Loss Trigger Level is outlined in the summary table of the Product Disclosure Statement (PDS) prior to listing. Thereafter, the Stop Loss Trigger Level will be updated on the first trading day of every month to reflect the value of the Underlying Share.

What happens if a Stop Loss Trigger Level is reached

If a Stop Loss Trigger Level is reached Citi will halt trading in the MINI, determine the remaining value and provide a bid price (equal to the remaining value) in the MINI on the ASX and Cboe so holders can close out of their position. This market will be available from 2:00pm on the following trading day until the end of the next trading day.

Should investors not sell their position on market, they will receive the remaining value back via cheque or directly in to their nominated bank account within 10 business days.

Example of Stop Loss Trigger - MINI LONG

	Underlying Parcel	Share Price	StrikePrice	StopLossLevel	MINIPrice
	BHP	\$45.00	\$35.00	\$38.50	\$10.00
Day 1	BHP releases negative news. BHP's Share Price falls below the Stop Loss Trigger Level of \$38.50. BHP MINI Long trading is halted. Citi unwinds its hedge by selling Shares in BHP at an average price of \$38.45 (the Stop Loss Termination Price)				
Day 2, 2:00pm	Trading in BHP MINI Long recommences, but holders can only sell them to Citi at the Remaining Value.				
Day 3, 4:00pm	Trading in BHP MINI Long ceases.				
	Underlying Parcel	StrikePrice	StopLoss Termination Price	Remaining Value	Loss on Trade
Close-out	BHP	\$35.00	\$38.45	\$3.45	-\$6.55

Example of Stop Loss Trigger - MINI SHORT

	Underlying Parcel	Share Price	StrikePrice	StopLossLevel	MINIPrice
	BHP	\$45.00	\$55.00	\$50.00	\$10.00
Day 1	BHP releases positive news. BHP's Share Price rises above the Stop Loss Trigger Level of \$50.00. BHP MINI Short trading is halted. Citi unwinds its hedge by buying Shares in BHP at an average Price of \$50.05 (the Stop Loss Termination Price)				
Day 2, 2:00pm	Trading in BHP MINI Short recommences, but holders can only sell them to Citi at the Remaining Value.				
Day 3, 4:00pm	Trading in BHP MINI Short ceases.				
	Underlying Parcel	StrikePrice	StopLoss Termination Price	Remaining Value	Loss on Trade
Close-out	BHP	\$55.00	\$50.05	\$4.95	-\$5.05

A man with short, graying hair, wearing a dark suit jacket, a white dress shirt, and a light blue striped tie, is sitting and reading a newspaper. He is looking to his left with a slight smile. The background is a plain, light-colored wall.

“I want to keep my costs to a minimum”

Investors who trade CitiFirst MINIs do not incur any funding costs if they buy and sell the MINI on the same trading day. Where a MINI is held to the next trading day, investors are charged a Funding Cost, which covers the cost of holding the stock position overnight. This Funding Cost is added to the Strike Price before trading opens the following morning, as such the Strike Price will change each day.

Calculating the Funding Cost

Funding costs are calculated by reference to the interest rate p.a. and are not charged to investors who buy and sell a MINI within the same day. Citi will announce a new interest rate via the ASX and Cboe Company Announcement Platform and on our website: www.citifirst.com.au/minis. In addition, investors can call the CitiFirst sales desk on 1300 30 70 70 to find out the current interest rate.

The Funding Cost per day is equal to:

(Interest Rate x Strike Price) / 365

Funding Example: WBC MINI Long

WBC Share Price:	\$22.50
Day 1 Strike:	\$17.00
Funding Amount per day:	\$0.0030 (interest rate of 6.35% p.a.)
Value of WBC MINI Long:	$\begin{aligned} & \text{WBC Share Price} - \text{Strike Price} \\ & = \$22.50 - \$17.00 \\ & = \$5.50 \end{aligned}$

On Day 1, you buy the WBC MINI Long for \$5.50 and hold the MINI Long overnight.
On Day 2, the funding cost is added to the Strike Price:

New Strike Price:	$\begin{aligned} & \text{Day 1 Strike Price} + \text{Funding Cost} \\ & = \$17.00 + \$0.0030 \\ & = \$17.0030 \end{aligned}$
New Value of WBC MINI Long:	$\begin{aligned} & \text{WBC Share Price} - \text{Strike Price} \\ & = \$22.50 - \$17.0030 \\ & = \$5.4970 \end{aligned}$

Therefore, by holding the MINI Long until the next day, you have incurred a Funding Cost, which has caused a slight decrease in the value of the MINI Long.

If, on day 2, a new investor purchases the MINI Long, the new investor would pay the new Purchase Price of \$5.4970.

Funding Example: WBC MINI Short

WBC Share Price:	\$22.50
Day 1 Strike:	\$27.50
Funding Amount per day:	\$0.0016 (interest rate of -2.15% p.a.)
Value of MINI Short:	$\begin{aligned} & \text{Strike Price} - \text{WBC Share Price} \\ & = \$27.50 - \$22.50 \\ & = \$5.00 \end{aligned}$

On Day 1, you buy a MINI Short for \$5.00 and hold until the next day.
On Day 2, the funding amount is deducted from the Strike Price:

New Strike Price:	$\begin{aligned} & \text{Day 1 Strike Price} - \text{funding amount} \\ & = \$27.50 - \$0.0016 \\ & = \$27.4984 \end{aligned}$
New Value of MINI Short:	$\begin{aligned} & \text{Strike Price} - \text{WBC Share Price} \\ & = \$27.4984 - \$22.50 \\ & = \$4.9984 \end{aligned}$

In this example the Holder chooses to hold the MINI Short overnight. The value of the MINI Short decreases overnight as the MINI Short Funding Amount is deducted from the Strike Price.

If, on day 2, a new investor purchases the MINI Short, the new investor would pay the new Purchase Price of \$4.9984



“I want to keep paperwork to a minimum”

CitiFirst MINIs are open-ended, meaning there is no need for maturity notices, paperwork or excess brokerage as they have no expiry date.

I don't want to be exposed to dividend risk

Holders of CitiFirst MINIs do not receive dividends paid by the Underlying Shares and are not exposed to dividend risk.

The price at which a MINI trades on the ASX or Cboe is unaffected by Dividends and does not fluctuate on ex-dividend dates. Prior to the Underlying trading on any ex-dividend date, the Strike Price as well as the Stop Loss level in the MINI will decrease by the Dividend amount (for both MINI Longs and MINI Shorts).

I want to trade on a supervised exchange

CitiFirst MINIs are listed and trade on either the ASX or Cboe. You can place orders through an approved broker, financial advisor or directly via an online broker.

Unlike unlisted Contracts for Difference (CFDs), CitiFirst MINIs are traded on a supervised exchange.

Example of CBA going ex-Dividend - MINI LONG

Action	Share Price	Dividend	StrikePrice	StopLoss Level	MINIPrice
Longs					
Cum-Dividend	\$53.00	\$2.00	\$42.00	\$46.00	\$11.00
Ex-Dividend	\$51.00	ex-div	\$40.00	\$44.00	\$11.00

Example of CBA going ex-Dividend - MINI SHORT

Action	Share Price	Dividend	StrikePrice	StopLoss Level	MINIPrice
Shorts					
Cum-Dividend	\$53.00	\$2.00	\$64.00	\$57.00	\$11.00
Ex-Dividend	\$51.00	ex-div	\$62.00	\$55.00	\$11.00

Therefore, there is no net gain or loss to an investor when a stock trades ex-dividend. Please note the above example does not include funding costs.

“I want to know who I’m dealing with”

Citi MINIs are issued by Citigroup Global Markets Australia Pty Limited (CGMA). CGMA is a wholly owned subsidiary of Citigroup Inc. and a member of the Citigroup Inc. group of companies (“Group”).

Citigroup Inc. is a leading global financial services company, has more than 200 million customer accounts and does business in more than 140 countries, providing customers, corporations, governments and institutions with a broad range of financial products and services, including consumer banking and credit, corporate and investment banking, securities brokerage and wealth management.

The Group has been in the Asia Pacific region for more than one hundred years and today provides more services in more markets for more clients than any other financial institution. The Group counts as valued clients 10 million customers across eighteen countries and territories throughout Asia Pacific.

The Group established a presence in Australia in 1971 and in New Zealand in 1982. In 1984, the Group’s securities and investment banking business commenced operations and in 1985, Citibank Pty Limited (now Citigroup Pty Limited) became the first foreign bank to be granted an Australian banking license. Today, the Group provides financial services to more than 1 million consumers and over 900 corporate clients in Australia and New Zealand.

What does this mean? When you buy and sell Citi MINIs you have the comfort of knowing you are dealing with one of the largest financial services companies in the World. In addition, because Citi MINIs are listed on the ASX and Cboe, CGMA, as Issuer is required to comply with ASX and Cboe Listing Rules.

This means you are trading within a regulated and transparent environment.

Recognising a Citi MINI

Citi MINIs are classified as a Warrant by both the ASX and Cboe and therefore, in line with other Warrants listed on the market, have a six letter code. MINIs are instantly recognised by the fourth letter in the code being a K and Citi issued MINIs will always have O as the fifth letter if listed on ASX and C if listed on Cboe. Take for example:

BHPKOA



A = indicates the MINI Series, where A-O = MINILong and P-Z = MINIShort

O = indicates the Issuer of the Warrant. All Citi issued Warrants have O or C as the fifth letter

K = indicates what type of Warrant it is. MINIs have K, M or Q as the fourth letter

BHP = indicates the underlying share, in this case this MINI is over BHP

How To Trade

CitiFirst MINIs are listed on the ASX and Cboe, and like Shares, can be traded via an approved broker, financial advisor or directly via an online broker. MINIs are characterised as a Warrant, and most brokers will require some additional documentation before you are able to trade. This may differ depending on the broker, but will generally include completing the ASX- and Cboe-required 'Warrant Client Agreement Form'. For further information, speak to your broker or contact the Citi Warrants Sales Desk on 1300 30 70 70.

Benefits of CitiFirst MINIs

CitiFirst MINIs have the following key features:

- Pricing that is straightforward and transparent
- Potential to profit in rising or falling markets
- Exposure to an underlying share for a fraction of the cost of holding that share directly
- Funding costs are only charged overnight, as a result there are no funding costs for clients who wish to day trade
- Embedded Stop Loss Trigger that means an investor is unable to lose more than their original investment. This comes at no additional cost to the investor and provides an important risk minimisation tool
- Investors won't receive margin calls or be asked to lodge collateral.
- CitiFirst MINIs are traded on the ASX and Cboe, therefore investors can buy and sell MINIs in the same way as they buy and sell shares
- Unlike CFDs, CitiFirst MINIs are traded on a supervised exchanged
- Knowledge that you are trading with a leading institution in Citi
- CitiFirst MINIs can be used to hedge existing portfolios and single stocks over the long and short term
- The potential for greater returns than the equivalent investment in the Underlying Shares
- Ability to lock in profits gained from an existing shareholdings, without having to sell that holding

What are some of the Risks of CitiFirst MINIs?

As with any investment that offers the potential for profit, there is a corresponding potential for loss. The relevant CitiFirst MINI Product Disclosure Statement details all risks associated with investing in CitiFirst MINIs. These include, but are not limited to the following:

- CitiFirst MINIs may decrease in value at a greater rate than an investment in the underlying shares
- If a stop loss is reached, the MINI will automatically terminate and investors may receive significantly less than their original investment or they may expire worthless
- Possible market illiquidity in the CitiFirst MINI or the underlying share
- Performance of the obligations by Citi and the Guarantor

Investors should read the relevant Product Disclosure Statement which details all risks associated with CitiFirst MINIs. Investors should also consult their approved stockbroker or financial advisor to ascertain the suitability of investing in CitiFirst MINIs as part of their particular investment strategy.

Disclaimer

General:

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The ultimate decision to proceed with any transaction rests solely with you. We are not acting as your advisor or agent. Therefore prior to entering into the proposed transaction you should determine, without reliance upon us or our affiliates, the economic risks and merits, as well as the legal, tax and accounting characterizations and consequences of the transaction, and independently determine that you are able to assume these risks. In this regard, by acceptance of these materials, you acknowledge that you have been advised that (a) we are not in the business of providing legal, tax or accounting advice, (b) you understand that there may be legal, tax or accounting risks associated with the transaction, (c) you should receive legal, tax and accounting advice from advisors with appropriate expertise to assess relevant risks, and (d) you should apprise senior management in your organization as to the legal, tax and accounting advice (and, if acceptable, risks) associated with this transaction and our disclaimers as to these matters. If you are acting as a financial adviser or agent, you should evaluate these considerations in light of the circumstances applicable to your principal and the scope of your authority. If you believe you need assistance in evaluating and understanding the terms or risks of a particular derivative transaction, you should consult appropriate advisers before entering into the transaction.

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Citi and CitiFirst

As a leading global financial services partner, Citi delivers an unrelenting drive towards success for consumers, corporations, governments and institutions. As a global leader in banking, capital markets and transaction services, across an unrivalled scale and reach, Citi enables clients to achieve their strategic financial objectives.

CitiFirst is a full-service model for Citi's offering of structured investments. These can be designed to suit all levels of risk appetite across the full range of asset classes, utilising various issuance solutions and product wrappers, to satisfy any investment objective.

To learn more about CitiFirst, log onto www.citifirst.com. This exclusive website offers access to CitiFirst products, analytics and educational resources (requiring log-in).

See www.citigroup.com for more information about Citi.



For more details of our CitiFirst investment range, please visit us at www.citifirst.com, speak to your usual sales contact, or contact your local CitiFirst Sales team:

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